

**A SIXTEEN-TO-ONE PROPHET ON
"THE CRIME OF 1873."**

Mr. A. S. Phelps of Joliet, Illinois, whose single-hearted devotion to the 16-to-1 cause and whose tireless industry in its service have been often and tenderly remarked by THE CONSERVATIVE, has recently come to the front with an *ex cathedra* definition, involving, he assures us, "no statement that is not susceptible of absolute proof," of "the crime of 1873." He first figures out a value for the combined total export of wheat, from that year to 1896, under the supposition that the whole had been sold at the boom prices of 1873; then he shows what the exports actually brought us; and he finds it easy to exhibit the result as what the English have gained and our farmers have lost by "the crime." The figure reaches nearly two thousand million dollars. A similar calculation for cotton shows a loss for us and gain for perfidious Albion exceeding three thousand millions; so that we have to charge a total of \$5,000,000,000—about the entire cost of the civil war, and nearly double the figure reached by the national debt at its highest point in 1865—to the account of the criminals of 1873. Could we have saved that sum, instead of basely throwing it away by that baleful stroke of legislation the country would long since have passed out of debt and into exuberant wealth.

Such a deluge of digits and flood of figures is almost enough to sweep the unsteady gold-bug off his feet. But let him brace himself against the torrent for a moment, and the discovery soon comes that its real volume is not quite so vast as he has been led to apprehend—that, in fact, those five thousand million men in buckram are subject to more than one liberal discount. On looking more closely, we see that our Mr. Phelps does not actually claim that the large sum he gives has all been lost by our fellow-citizens. His fiery zeal for the farmer is tempered with a goodly portion of slyness, so that, while the figures quoted are the only ones he gives, he says in connection with them that "the American producer received the London price less the transportation and charges of middle-men, and this gigantic robbery of the producers of these commodities constitutes the crime of 1873."

Transportation.

But why does he not tell us what was happening to the transportation-charge while the London prices were falling as he shows? It is not hard to see, when the figures are supplied. In gold the cost of carrying a bushel of wheat from Chicago to New York was in 1873, by lake and canal, 17 cents; by lake and rail, 23 cents; by all rail, 29 cents. Since 1894 the same costs have been 5, 7 and 12 cents, respectively. Freights west of Chicago have fallen correspondingly. Ocean freights on wheat from New York to Liverpool

varied between 7 and 14 pence, averaging over 10; since 1894 the yearly averages have stood at 2 or 3 pence per bushel. It is therefore clear that the cost of transportation has fallen more, proportionally, than the price of the grain; and that therefore, since it is principally in the form of freights that the railways receive their revenues, they have sustained more of "this gigantic robbery" than the farmers have. And yet railways have continued to be built; the country's total mileage for 1872 was doubled in 1884 and trebled in 1893.

The Dakotas.

The two Dakotas were so insignificant as wheat producers that no account was taken of them till 1881. From 1882 to 1886 they furnished on an average 20 million bushels a year; from 1892 to 1896 the average annual product rose above 60 million; in 1898 the total for both states was little short of 100 million bushels.

Robbery a Stimulant.

That is to say, no one cared to undertake wheat raising in that region until after the "gigantic robbery" had begun; the industry grew in proportion as the "robbery of the producers" proceeded; and it reached a majestic culmination just after the country's decision was recorded against Mr. Phelps's favorite remedy for that robbery—to wit, sixteen-to-one—thus leaving the "crime" unpunished and remediless. Curious, is it not, that the producer has to be robbed to encourage him in production?

Foxy.

Mr. Phelps shows his slyness in other ways besides neglecting the charges in cost of transportation during the last quarter century. It will also be remarked he does not explicitly say that our European customers would have bought just as many bushels of wheat from us as they did if we had kept up the prices to the 1873 level; he only argues as if that were his view, nowhere making allowance for any possible increase of purchases due to our ability to supply wheat on terms more favorable to the consumer. He may easily claim that the amount of bread eaten in a country is somewhere near to a constant, be the price low or high; but he couldn't deny that if the price of wheat from this country were held up while that from its rivals was falling, purchasers would desert us for our rivals; or that, supposing all providers of wheat could and should combine to demand the higher price, many consumers would be driven from wheat to other foodstuffs. Only about half the wheat imported by the British is of our production, while Russia, India, Canada and Argentine contribute largely also; and it must be evident when we consider the vast areas of unoccupied land in all those countries, that any

effort on our part to exact a higher price for wheat than we have actually received, since 1873, would have operated as a boom for wheat production in them. This is true, even under the supposition that our grain-growers could have combined to ask it—as we well know they could not. With the rapid opening of new acres to cultivation, in consequence partially of improved agricultural machinery, and yet more in consequence of increased exports and reduced freight charges by rail, it was impossible that producers should not increase in number, and through their rivalry hasten the downfall of the price. In 1873 the country produced 281 millions of wheat, a figure until that year unsurpassed; the average of the last three years is nearly double that amount.

Cotton Also.

What has been said of wheat may also in large measure be said of cotton, except that this staple has not, like wheat, risen in price since 1895. Mr. Phelps shows that the same amount of wheat that would have sold in London for 100 shillings in 1873, brought only 39 shillings in 1895. In 1896 that amount would have sold for 45 shillings, in 1897 for 51, in 1898 for 59, taking the yearly average. If cotton has not followed a similar course, the reason is plainly that its production has been pushed still further ahead of the demand. Cotton crops in this country have more than doubled since 1873, until which date a total of four million bales was the rare exception. In recent years we have frequently exceeded nine million, while the unprecedentedly low price of 1898 was the natural response to a crop of 11,000,000 bales. Since production in Egypt is also on the increase, it is simply childish to look beyond these facts for an explanation of the low price of cotton now prevailing.

Stupid Students.

One of the difficulties attending argument with champions of sixteen-to-one is found in the very elementary character of the economic principles in which it is necessary to instruct them. That people will not keep on increasing their production of wheat and cotton except when wheat and cotton-producing pay as well, on the whole, as other industries; that producing could not continue to pay if there were a "gigantic robbery of the producers;" that it would be in no way possible, while wheat and cotton pay at present prices, to add anything more to those prices without bringing an unlimited amount of new enterprise to their production; and that such accessions of enterprise and supply could not fail to bring down the prices again to the present paying level—all these would seem to be so nearly matters of course that they need only to be stated. The action of supply and demand in these matters is simple